

N E W S L I N E

Newsline No.: 2015-104

Date: November 4, 2015

DWC Reinstating Lien Activation Fees on November 9

The Division of Workers' Compensation (DWC) will reinstate statutorily required [lien activation fees](#) that have been enjoined by the U.S. District Court for the past two years on Monday, November 9.

In *Angelotti Chiropractic v. Baker et. al.*, Plaintiff Angelotti and other lien claimants sued the Director of the Department of Industrial Relations (DIR) and others, alleging that the lien activation fees under Labor Code §4903.6 violated the U.S. Constitution. U.S. District Court Judge George Wu dismissed two of the grounds alleged by plaintiffs, under the taking and due process clauses of the constitution, but he issued a preliminary injunction against enforcement of the activation fees on equal protection grounds, which injunction became effective on November 19, 2013.

Following appeal of the case by both parties, the Ninth Circuit United States Court of Appeals upheld the constitutionality of the lien activation fees on June 29, 2015. The Court denied the plaintiff's Petition for Rehearing on October 18, 2015 and sent the case back to Judge Wu to vacate the preliminary injunction and dismiss the case.

On November 3, 2015, Judge George Wu issued an order vacating the preliminary injunction and permitting lien claimants to pay activation fees required by Labor Code § 4903.06 from 8 a.m. on November 9 until December 31, 2015. Based on this order, any affected lien claimant who files a Declaration of Readiness or appears at a lien conference during this period will be required to pay the activation fee if it has not previously been paid. The order also provides that lien activation fees must be paid by December 31, 2015 or the affected lien will be dismissed by operation of law under Labor Code § 4903.06(a)(5). Activation fees will no longer be accepted after midnight on December 31, 2015.

DIR will restore the electronic lien activation fee payment system through [JET File](#) and the EAMS [Public Information Search](#). To do this both EAMS and Public Search will be

offline starting in the late afternoon of November 6, 2015 and restored on November 9, 2015 at 8 a.m.

If, between November 9, 2015 and December 31, 2015, the lien activation payment system becomes non-operational for six or more hours in a 24-hour period, the deadline will be extended by one calendar day for each day of non-operation.

###



The [California Department of Industrial Relations](#), established in 1927, protects and improves the health, safety, and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR is housed within the [Labor & Workforce Development Agency](#). Non-media inquiries can contact DIR's Communications Call Center at 1-844-LABOR-DIR (1-844-522-6734) for help in locating the appropriate [division or program](#) in our department.